

July 2006

DLB-06-07

Subject: Additional 2004-2005 Direct Loan Program Year Closeout Information

Dear Partner:

Over the past few months, we have provided information about 2004-2005 Direct Loan Program Year closeout (see [DLB-06-02](#) and [DLB-06-04](#)). This bulletin supplements the previous guidance. As a reminder, to be considered successfully closed out, your school must have an Ending Cash Balance of \$0 and Total Net Unbooked Disbursements of \$0, as reflected on your School Account Statement (SAS) Report.

When is the processing deadline?

The processing deadline to submit records is 8:00 P.M. (ET) on Monday, July 31, 2006. The Common Origination and Disbursement (COD) System subsequently must accept all submitted records by the processing deadline in order to be included in your school's final Ending Cash Balance for 2004-2005. Any 2004-2005 batches or records received after the processing deadline will be rejected and returned to the school.

When is the deadline for drawdowns and/or drawdown adjustments?

Drawdowns and/or drawdown adjustments must also be requested/completed by the processing deadline of 8:00 P.M. (ET) on Monday, July 31, 2006.

How will my school learn its final balance?

In early August 2006, we will produce a final 2004-2005 SAS Report and send it to all schools. Your school will receive this SAS Report even if it is at a zero balance or has previously closed out for this program year. This SAS Report will serve as a final record of your school's official Ending Cash Balance for 2004-2005.

What if my school does not have a zero balance by the deadline?

Schools that have not successfully closed out by the processing deadline and are not approved for extended processing (see "What is extended processing?" below) will be sent a Final Demand Letter requesting the return of the outstanding balance as a refund of cash. Final Demand Letters will be mailed during September 2006. If the outstanding balance is not paid by the deadline noted in the letter, a receivable will be established, and your school will be billed accordingly.

What is extended processing and how is it requested?

Extended processing allows schools additional time to process records. It is granted on a case-by-case basis, but a school must meet at least one of the following criteria at the time of its request:

1. School is affected by a known COD System issue. The issue must be identified on or before July 31, 2006.
2. School is affected by an internal system issue that prevents it from reporting loans and/or loan disbursements timely. The issue must be reported to and documented with the COD School Relations Center on or before July 31, 2006 and the school must be actively working on a resolution for the issue.

Schools that believe they should be allowed additional time to process records, must contact the COD School Relations Center via e-mail at CODSupport@acs-inc.com to request extended processing. The request must be made during the period August 1, 2006 through August 31, 2006. If extended processing is approved, we will send the school a letter providing the timeframe during which the school can submit additional data to the COD System. Schools denied extended processing will be contacted by the COD School Relations Center.

What if my school needs assistance?

Schools should contact their Customer Service Representative at the COD School Relations Center for assistance with closeout. They can be reached at 800/848-0978 or by sending an e-mail to CODSupport@acs-inc.com.

We appreciate your continued cooperation as we work to close out the 2004-2005 Direct Loan Program Year and thank you for your ongoing partnership in the Direct Loan Program.

Sincerely,

Bill Leith
General Manager, Program Operations Channel